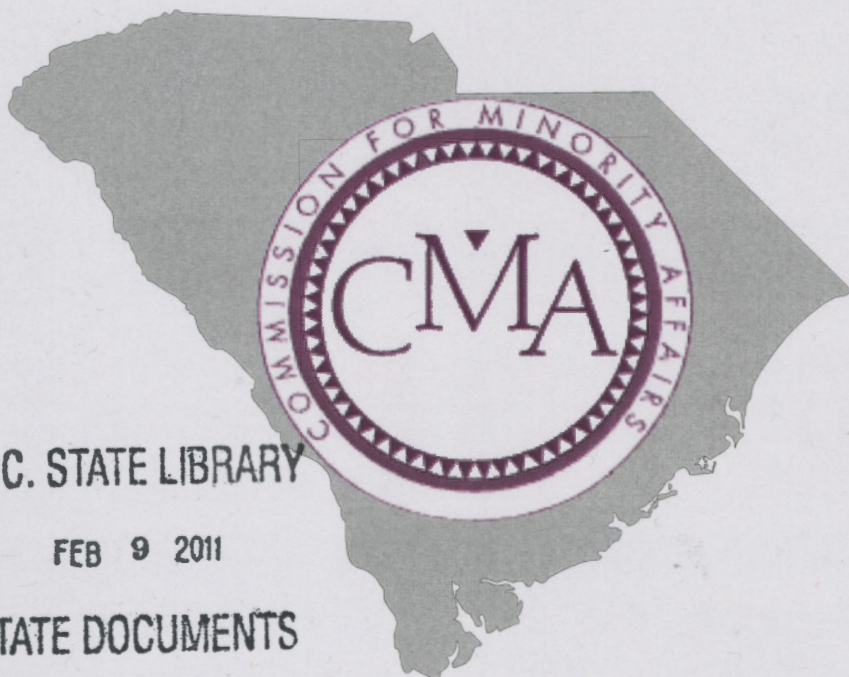


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Commission for Minority Affairs



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STATE DOCUMENTS

Preliminary Report
Student Achievement and Vision Education (SAVE)
Proviso 55.5

Issued February 2009

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ABOUT THE COMMISSION

The South Carolina Commission for Minority Affairs was created in 1993 by the General Assembly to provide the citizenry of the State with a single point of contact for information regarding the State's minority population.

Additionally, the Commission was created to:

- *study the causes and effects of the socioeconomic deprivation facing minorities and work to implement initiatives to alleviate such deprivation;*
- *establish a database of statistical information for distribution to members of the General Assembly and other entities capable of effecting change;*
- *be the State's clearinghouse for minority statistical information and to publish a Statewide statistical abstract on minority affairs;*
- *provide communities with a single point of contact to obtain raw data and information necessary for local research and planning;*
- *liaison with community leaders, businesses, and elected officials to build the infrastructure needed to foster economic prosperity among the minority population;*
- *serve as the catalyst for identifying and linking funding and programs from both the public and private sectors;*
- *provide assistance and information on Voting Rights Act submissions, as well as other related issues.*
- *establish advisory committees representative of minority groups, as the Commission considers appropriate, to advise the Commission;*
- *act as a liaison with the business community to provide programs and opportunities to fulfill its duties under this chapter;*
- *seek federal and other funding on behalf of the State of South Carolina for the express purpose of implementing various programs and services for African Americans, Native American Indians, Hispanics/Latinos, Asians, and other minority groups.*

PREFACE

In 1993, then Governor Carroll A. Campbell, Jr. and members of the General Assembly created the South Carolina Commission for Minority Affairs (CMA) **“to study the causes and effects of the socioeconomic deprivation of minorities and to implement programs necessary to address inequities confronting minorities in the State.”**

In its efforts to fulfill its mission, the Commission identified eight factors that contribute to deprivation and poverty in South Carolina. They include:

- Fragile Family and Community Structures
- Education Deprivation
- Lack of Jobs – Under and Unemployment
- Lack of Community/Economic Development
- Lack of Wealth Creation
- Lack of Minority Businesses
- Health Disparities
- Disproportionate Representation - Criminal Justice System

As a result of the (continuous and systemic) lack of coordinated programs, services and policies that efficiently and effectively address deprivation, the effects are most noticeable in the *proliferation of non-traditional family structures; disproportionate minority dropout and illiteracy; family and child poverty; distressed minority communities lacking the infrastructure to support business opportunities; low home ownership, dilapidated housing, homelessness; low income levels which inhibit sustainable wealth creation; weak or limited business ownership; health disparities; and increased criminal activity which leads to disproportionate minority incarceration.*

Since the Commission does not receive funding for or provide direct service delivery programs, such as those delivered by the South Carolina Department of Social Services, State Department of Health and Environmental Control, State Department of Mental Health, and a host of other direct service providers, it is critical that the Commission serves as a **catalyst to ensure cooperation, collaboration and partnership among these agencies in the delivery of best practices and programs that address the causes of socioeconomic deprivation.** Additionally, this work contributes to the identification of duplication, the elimination of wasteful spending, and minimizes agencies operating in silos.

In FY2007-2008, the Commission, in partnership with the Education Workforce Development Task Force of New Carolina, identified poverty and those factors that contribute to poverty, as major deterrents to educational success, which ultimately affect the availability of skilled workers in South Carolina. Since poverty aligned with the already established mission of the

CMA, it was agreed that the CMA would lead the work of the "*Root Causes of Poverty Subcommittee*" of the Education Workforce Development Task Force.

During the 117th General Assembly of South Carolina, First Session commencing January 9, 2007, the Commission first introduced the Student Achievement and Vision Education (SAVE) Proviso in the General Assembly (See Appendix). The Proviso was so named to emphasize the importance of addressing student achievement by closing the gap that exists between majority and minority student performance and visioning students toward educational success through the implementation of the Education and Economic Development Act (Personal Pathways to Success). The Proviso passed both sessions of the General Assembly but was vetoed by Governor Marshall C. Sanford, Jr.

In the meanwhile, the Commission had already identified a group of interested researchers to assist the Commission in finding a starting point to address deprivation and poverty. This group was well on its way in charting a course of action and conducting research without the benefit of the SAVE Proviso. After much deliberation, this group identified early childhood education as critical to addressing deprivation.

The Commission continued its efforts to obtain passage of the SAVE Proviso which gave the Commission the authority "to study the programs and structures that contribute to or by their absence, exacerbate the problem of poor student achievement and socioeconomic deprivation." After further discussions with the Governor's staff, Governor Sanford gave his support for the passage of the SAVE Proviso, followed by both bodies of the General Assembly. The SAVE Proviso passed during the Second Session of the 117th General Assembly.

Research clearly shows that the lack of early childhood education among children contributes to poor student achievement in K5 education and lays the foundation for continued poor performance throughout the educational experience. Given this knowledge and limited research dollars for the study, the Commission focused its attention on early childhood education as the starting point for the SAVE Proviso, studying how early childhood education could contribute to closing the achievement gap and alleviating socioeconomic deprivation. This conclusion also aligned with discussions had with members of the Education Workforce Development Task Force of New Carolina.

Therefore, the study and implementation of the SAVE Proviso began to take shape in the development of a process that would: 1) research what other states are doing in the area of early childhood education, especially identifying the programs, policies, and practices shown to benefit minority students; 2) identify the cost/benefits of such programs; and 3) compile a comparison of the spending on programs in South Carolina to other states, in order to identify strengths, weaknesses, and gaps in program services across agency lines.

This report documents the progress to date on the study; the impact of budget cuts on the CMA and complying agencies; the CMA's ability to complete the comprehensive study document using most current information; and the need for further study beyond February 2009.

PART ONE

The research group agreed that in order to make recommendations regarding early childhood education in South Carolina, an extensive literature review needed to be conducted to determine the kinds of programs shown to best serve minority students and students from high poverty areas. This research was undertaken by:

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Office of Research and Statistics
State Budget and Control Board

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Department of Business Administration
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Ms. Aisha Staggers
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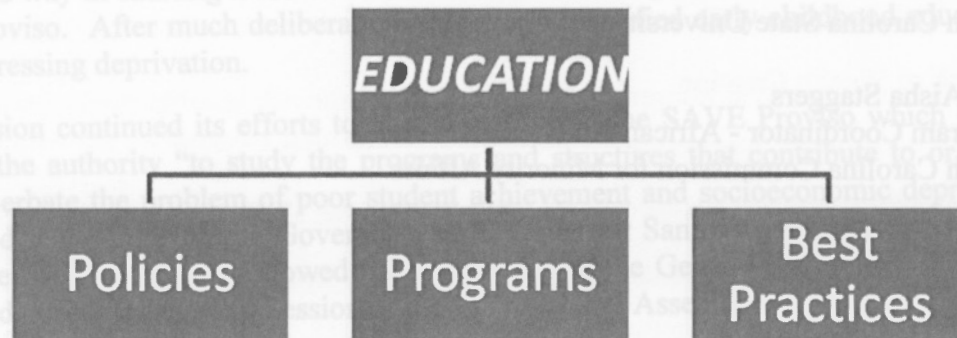
In compliance with the SAVE Proviso requirements, the scholars sought to identify programs and community-based services in the State and outside of South Carolina that had positive outcomes of supporting family and early childhood education, thereby improving the likelihood of school-readiness and ultimately, serving to close the achievement gap. An extensive collection of literature, policy research and program information is on file at the Commission as a result of this work.

Additionally, preliminary findings indicate that states have many programs within their borders, but longitudinal studies that follow the progress of these programs and students from birth to graduation seldom exist. However, the lack of such longitudinal studies in no way means that there are not programs that have tremendous outcomes and returns on investment. Research indicates many good programs with a proven record of effectiveness and intervention exist, but they seldom become the norm within the public school delivery system. Rather, they exist in private settings within struggling organizations driven to make a difference in distressed communities of color.

The research findings of each of the scholars who contributed to the literature review will be published as white papers separate from this report. These documents will be published as funds become available to cover the associated costs for printing.

One unexpected recommendation that comes as an outcome of the exhaustive review of literature, policies, and programs is that South Carolina lacks a dedicated Education Research Center that operates for the sole purpose of examining the cost-effectiveness and social impact of educational policies and programs affecting minority students in high poverty communities. This center would work in partnership with Head Start, the Education Oversight Committee, First Steps, the State Department of Education, and other organizations serving the interest of improving educational outcomes in the State. While the CMA initiated this effort through the passage of the SAVE Proviso, clearly more in-depth work is needed along with staffing and resources. We recommend that such a center be established in the CMA through public/private collaboration, funding, and researchers from institutions of higher education and the Historically Black Colleges and Universities of the State. The legislative establishment of such a center would be preferable.

The Education Research Center would examine:



The Center would have ten program areas of research that focus on assessing the cost-effectiveness and social impact of educational policies, program and practices, as well as addressing some of the confounding issues that make implementation of solutions complex.

1. Early Childhood Education and Child Care
2. Child Development and Family Stability
3. Communities and Environment
4. Educational Funding
5. Adequacy and Equity
6. Litigation and Advocacy
7. Closing the Achievement Gap
8. Learning, Memory, Cognition, and Behavior
9. Family Income, Educational Attainment and Outcomes
10. Public-Private Partnerships (PPPs) for Educational Success

We can all agree that education is the cornerstone of many issues that impact South Carolinians. Given the high minority population in the State and the failure of many minority students to

excel in their educational endeavors, it is incumbent upon this State to do everything humanly possible to invest the resources that ensure that all students contribute positively to the future workforce and business vitality of South Carolina.

Part Two of the study represents the work of Dr. Clive R. Belfield, Assistant Professor in the Economics Department at Queens College, City University of New York and Co-Director of the Center for Benefit-Cost Studies in Education. Dr. Belfield led the research effort regarding conducting the cost-benefit study, with the assistance of a team of South Carolina researchers and interested parties that included:

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The published study was issued to members of the General Assembly in March 2008 when discussions regarding increasing funding for all-day four-year old programs were being debated in the General Assembly. Despite the lack of additional funding for all-day four-year old

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programs in FY 2008-2009, and during this period of unprecedented recession, this section of the report speaks to the need to consider as high priority, funding to make three and four-year old programs available in South Carolina, as soon as possible. The report on the following pages shows that investing in our children at the earliest age possible will reap great returns and have significant impact on overall school readiness and educational success through high school completion.

THE ECONOMIC BENEFITS OF PRE-SCHOOL IN SOUTH CAROLINA

• • •

January 2008

Clive R. Belfield
Queens College, City University of New York

1. INTRODUCTION

... SUMMARY ...

Report prepared for

South Carolina Commission for Minority Affairs,
Columbia, South Carolina

Report prepared by

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Citation

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Monograph, South Carolina Commission for Minority Affairs.

The author appreciates the comments of Janie Davis, Dr. Baron Holmes, Bruce Mills,
Dr. Marion Sillah, Aisha Staggers, Benjamin Washington Jr., and Dr. Ann Winstead.

... SUMMARY ...

Pre-school is a good investment for children. Research shows that high-quality pre-school helps children's cognitive growth and enhances their future prospects. The effects are especially strong for minority children from disadvantaged circumstances.

Taxpayers also benefit from pre-school. Educational expenditures on special education, grade retention, and remediation during the K-12 years are lower. Tax revenues are higher; government expenditures on crime, health, and welfare are lower.

However, high quality pre-school for all children requires adequate resources. Many states do not allocate sufficient funds to ensure all children may benefit and to guarantee high quality programs. This report gives a cost-benefit analysis of expanding pre-school for South Carolina.

Current spending on pre-school in South Carolina is \$97 million. A high quality program to cover all at-risk four-year old children in the state would cost an additional \$172 million annually. This would provide 11,500 new places and upgrade existing provision for children in 4K and the Child Development Education Pilot Program.

The benefits of this pre-school investment to taxpayers—in the form of higher government revenues and lower spending—would be substantial. Conservatively, these benefits would total \$326 million. They exclude the private benefits to the children and to the local community.

Therefore, the benefits exceed the costs by \$154 million. For every \$1 invested the taxpayer gains \$1.90 in benefits. This economic calculation suggests that expanding pre-school would make very good sense for the state.

In part, pre-school is beneficial because it promotes school readiness and raises the probability of graduating from high school. On average, high school graduation significantly improves economic well-being. This is the motivation for the Education and Economic Development Act (EEDA) of 2005 and its 'Pathways to Success' model in high school and college.

EEDA programs that raise the graduation rate will generate a very high return for the state. Over the lifetime each new high school graduate in South Carolina will earn \$346,000 more than a dropout. For the state's taxpayers, the economic gains per new high school graduate are \$213,000 (via higher tax revenues and lower spending on health, crime, and welfare). These amounts easily exceed the per-student costs of implementing the EEDA.

These investments in education are particularly important for minority children. Research shows that these children benefit the most from pre-school. Also, these children are most at-risk in adulthood, mainly because of their higher reliance on public assistance and, for males, their involvement in the criminal justice system.

1. INTRODUCTION

Pre-school is a good investment for children. A large amount of research shows that high-quality pre-school helps children's cognitive growth. Pre-school also enhances children's futures, leading to higher graduation rates and college enrollment and these in turn lead to greater opportunities in the labor market. Although pre-school helps all children, it appears to be especially beneficial for minority children from disadvantaged circumstances.¹

Taxpayers and the local community also benefit from pre-school investments. Taxpayers benefit through higher tax revenues and lower spending on public assistance programs, on crime, and on health. The local community benefits through enhanced economic growth and safer and more prosperous neighborhoods. Business groups—such as the Committee for Economic Development—now recognize the importance of early education as an engine for economic growth.

However, not all children have access to pre-school. There are differences by income, by race, and by locality.² Importantly, state policies will determine who gets access to pre-school, what quality programs are available, and what the economic benefits are. Many states are now expanding pre-school options, with some states already offering universal programs. Our focus here is on the economics of expanding pre-school for children in South Carolina.

Using economic models and new empirical evidence we quantify the economic benefits from investments in high-quality pre-school across South Carolina. We calculate these benefits from the perspective of the taxpayer and the state (as well as some selected counties). In addition, we consider the economic potential of the new Education and Economic Development Act.

This analysis begins with a description of the current opportunities for South Carolina's children to enroll in early education programs, including information on total state funding. Next, we outline options for significantly expanding pre-school options but also maintaining high quality. These new policies are then evaluated to determine the likely economic consequences. Estimates of what such a policy would cost and of the potential fiscal benefits are calculated. To determine likely returns, the analysis employs state-level and national data sources, as well as evidence from highly regarded research studies. Finally, to establish whether more pre-school investment would better serve the state over the long term, the costs and benefits of the expanded program are compared.

1 For a review, see Gormley (2007a). See also Belfield et al. (2006); Reynolds et al. (2002); Hawkins et al. (2005); Campbell and Ramey (1994); and Magnuson et al. (2007). For evaluations of state programs, see Henry et al. (2003); Gormley et al. (2004); Barnett et al. (2005); Gilliam and Zigler (2004). For lifetime effects, see Reynolds et al. (2004).

2 On socioeconomic status differences, see: Bainbridge et al. (2005); Magnuson et al. (2005). On participation differences, see: Liang et al. (2000).

... SUMMARY

We might expect significant benefits from investments in early education for South Carolina, particularly for minority and disadvantaged children. Relative to the national average, South Carolina has high rates of low birth weight babies, infant mortality, and child deaths. The rate of teenage pregnancy is higher than the national rate and the high school dropout rate is one of the highest in the nation. Family circumstances for children in South Carolina should also be considered: one-third of children are growing up in families where no parent has full-time employment; over one-fifth are growing up in poverty; and almost two-fifths are growing up in single-parent families. All of these rates for South Carolina are above the national average.³

Critically, minority children—particularly African American children—face educational conditions that are far from ideal. Across the U.S., almost 60% of all African American children are reading at ‘below basic’ in fourth grade (the figure for whites is 36%). In math, 70% of African American children are ‘below basic’ in 12th grade. Other educational metrics show a similarly strong disadvantage: 23% of black males repeat a grade, 25% have been suspended, and 7% expelled; these rates are almost double the national rates. Yet, evidence on motivations and family expectations shows that African American families value education and want to succeed just as much as white families. Although improvements in education cannot fully compensate for income differences or differences in family circumstances, they represent an important way to enhance the opportunities for future cohorts of minority children.⁴

Neighboring states have successfully expanded their pre-school programs. Since the 1990s, Georgia has had a mixed public and private program funded by lottery revenues. It now offers pre-school for all children on a voluntary basis and has been demonstrated positive impacts on child development.⁵ North Carolina’s More at Four program has grown slowly since 2001, but it is relatively generously funded.⁶

In fact, a recent research study has shown that children in South Carolina do benefit academically from pre-school: they have higher literacy and vocabulary scores.⁷ Therefore, it is important to investigate whether additional investments in early education in South Carolina generate an economic pay-off.

2. PRE-SCHOOL IN SOUTH CAROLINA

2.1 Current pre-school opportunities

In 2006–07, there were 57,251 four-year olds in South Carolina. Only a minority have access to publicly-funded pre-school. The largest program, 4K, served 20,570 children,

3 Data from Kids Count, www.aecf.org.

4 KewalRamini et al. (2007); Pouncy (2006).

5 Henry and Gordon (2006); Henry et al. (2003).

6 NIEER (2006).

7 Lamy et al. (2005).

just over one-third of all children. Places are allocated based on free and reduced-price lunch status. In addition, 6,100 children were in Head Start centers, which are federally funded, and 1,900 were receiving separate pre-school special education. However, only slightly more than half of the children (11,108) were in 4K for the full-day; the remainder (9,462) were enrolled for a half-day programs. South Carolina also supports a Child Development Education Pilot Program (CDEPP). In 2006–07, this program offered places to 3,241 children, with 90% of places supported through the Department of Education and the remainder through the Office of First Steps in private centers.

However, 53% of children in South Carolina are eligible for free or reduced-price lunch and an extra 11% are Medicaid eligible. Therefore, current provision does not fully cover all children from disadvantaged backgrounds and who might benefit most from pre-school.

Pre-school opportunities are even more constrained when we account for the amounts being spent. State funding is only for half-day programs, with the remainder of the day funded from alternative sources (such as the First Steps to School Readiness program). For full-day programs, the estimated programmatic spending per child is \$4,100; for half-day programs it is \$2,100 per child. Annually, total programmatic spending is approximately \$57 million. Programmatic spending does not cover all costs (e.g. transportation, capital construction, or start-up costs) and so a more accurate estimate of spending is closer to \$5,300 (full-day) or \$2,700 (half-day), with total expenditures of \$79 million. For CDEPP, total funding was \$12.92 million or just below \$4,000 per child. Head Start spending is an additional \$39 million and the ABC child care vouchers are an additional \$8 million.

These amounts of funding are almost certainly sub-optimal. As noted by SC EOC (2007) enrollment in CDEPP was considerably below budgetary allocation: this may be explained by the low reimbursement rate, particularly for new private providers that do not already have facilities. By comparison, North Carolina spends over double the amount per child through its More at Four program. In fact, the National Institute for Early Education Research ranks South Carolina as one of the states that spends the least per enrollee of all states that offer pre-school programs.

Despite some pre-school programs, many four year olds in South Carolina currently have no access to pre-school from either state or federal programs such as Head Start. Those that do enroll are either in half-day programs or in classrooms with limited resources. Yet, not only are the majority of four year olds are classified as disadvantaged but many more are likely to experience some poverty over their childhood. Very few three-year olds are enrolled also, even though the benefits of early education are found for this age group too. Consequently, South Carolina is missing an opportunity to intervene early in children's development to prevent later problems and reduce future public expenditures. In order to take full advantage of the economic benefits of pre-school, a range of expanded options across the state should be considered.

2.2 Expanding and enhancing pre-school across the state

A range of options for expanding and enhancing the existing pre-school program in South Carolina are possible. Pre-school policies vary from state to state: some are limited only to at-risk children and others are universal; some are well-resourced, others are not fully funded by public revenues; and some allow private centers to operate, whereas others are restricted only to the public school system. The goal here is not to set down precisely the type of pre-schooling that should be implemented in South Carolina. Instead, it is to analyze the costs and benefits of a specific policy proposal.

The primary proposal is to significantly expand pre-school availability across the state for all four-year olds and to ensure that all places—existing and new—are in high quality centers. The program would run a full-day but be voluntary for families.⁸

It is important that pre-school programs are high-quality so that the full set of benefits is generated. Broadly, there is an agreed set of features associated with a high quality program. Specifically, pre-school is most effective when: (i) the programs are full day and full year; (ii) teachers have appropriate credentials (e.g., a BA degree), receive regular professional development, and are paid market wages; (iii) group sizes are small, i.e., less than 20 children with a teacher and aide; (iv) provision is coherent, i.e., aligned with kindergarten and not 'blended'; (v) programs are accredited; and (vi) when government monitoring is imposed and centers fully comply with standards.⁹ The last of these is especially important: oversight and accountability are key to program effectiveness. The proposal here assumes that each of these features is included in the program. Indeed, these quality requirements are embodied in the CDEPP and set down in SC EOC (2006 and 2007, pA-1-3).

Of course, high quality programs should involve parents and families. There is a wealth of evidence that parents and families are the most important influence on children's developments. There is also evidence that parental involvement programs in the early years make a difference.¹⁰ It is therefore important for pre-school programs to motivate families to support their children's education. Indeed, there is some evidence that pre-school does this: as families see their children progress, they have more incentive to support them and make sure they succeed in school.

Beyond these six features, there is considerable flexibility as to how pre-school systems may be structured.¹¹ Governance and administration should be managed through the state Early Childhood Education agency and the Department of Education, along with cooperation and collaboration from other organizations such as First Steps, the Head Start Offices, and the Department of Social Services. Public or private programs may be appropriate.

⁸ Expansion of pre-school to three-year olds may also be an option.

⁹ Burchinal et al. (2000); Early et al. (2006); Robin et al. (2006); Helburn et al. (2002); Marshall et al. (2002); Loeb et al. (2004).

¹⁰ Senechal (2006).

¹¹ See the discussion in Fuller et al. (2006).

Clearly, this proposal would require many extra spaces for the new enrollees. Some children are already enrolled in 4K or CDEPP; other families will choose not to enroll. Based on the experiences in other states, it is likely that total enrollment could reach 70%. This percentage is generally regarded as 'universal' and would cover all of the 60% of children who are either classed as free or reduced-price lunch eligible or Medicaid eligible (with an allowance for children who only intermittently become eligible). It would be feasible particularly if the state engaged in outreach activities so that families were aware of the program. This would entail offering an additional 11,500 new places.

Yet, current programs need to be upgraded to ensure high quality and provision throughout the day. Therefore, all half-day places should be converted to full-day and additional resources allocated for all existing places both in 4K and CDEPP. (These enrollment figures exclude children in Head Start or those using childcare vouchers; if these children change to another program, we assume new children would take their places in Head Start or childcare).

This proposal is summarized in Table 1, which also includes information on the distribution of existing places. Under the new proposal, there would be 11,500 additional places offered to four-year old children. In addition, all 4K places (20,570) would be full-day and high quality, as would the CDEPP places (3,241). Enrollment numbers for 2008 show growth in CDEPP up to 4,305 places but the cohort size is almost identical. However, as we describe below, the key issue for this analysis is to describe the economic impacts of increasing enrollment, not the economic consequences of the current level of enrollment. Even as enrollments are growing this new scenario would create a large-scale, integrated system for the majority of children.

Table 1 — Current and proposed enrollments in pre-school in South Carolina

	<i>Current programs</i>	<i>Proposed new provision</i>
Cohort of four-year olds	57,251	57,251
Served by:		
Full-day 4K	11,108	20,570
Half-day 4K	9,462	0
CDEPP	3,241	3,241
Head Start	6,100	6,100
ABC Vouchers	3,500	3,500
New places	—	11,500
Total enrollment	33,411	44,911

Notes: Proposed new provision for 4K, CDEPP, and new places would be high quality. Enrollment does not include children in special education.

Sources: SC CEO (2008, 2007); NIEER (2006).

2.3 Funding for expansion and enhancement of pre-school

The proposed expansion of pre-school in South Carolina would require a substantial increase in public spending. High quality pre-school is not cheap and most states underfund pre-school and so do not offer the most effective programs.

A growing amount of research has focused on what high-quality pre-school costs, rather than what states actually spend on pre-school. Methods for calculating the cost of pre-school may be based on accounting templates, on model programs, and on cost function equations.¹² Alternatively, the cost of pre-school may be inferred from comparisons of spending patterns across the education system. One comparison—recommended by Barnett and Robin (2006)—is with current spending on first grade in South Carolina. The inputs needed for first grade and pre-school are similar, as are the pedagogies, and the teachers are often recruited from the same labor market. (Pre-school classes are often smaller than first grade but the days are also shorter). An alternative comparison is with Head Start: high quality pre-school programs offer many of the same services as Head Start and so equating their costs is plausible.¹³

These two spending comparisons yields an estimate of the cost of high quality pre-school considerably above the amount currently allocated to 4K or CDEPP. The average of the two comparisons is \$7,600.¹⁴ We apply this as our cost estimate. (Not only is it conservative to assume higher costs, but it builds in an allowance should average costs rise as enrollment expands).

Table 2 shows both current spending and proposed spending (excluding Head Start and the child care program). Current spending is \$96.87 million. Proposed spending would be an increase of \$87.40 million for the 11,500 new places plus \$84.10 million for upgrades to the 4K and CDEPP. Total spending would therefore be \$268.36 million annually, with an additional investment being \$171.50 million. This amount is less than 6% of annual spending on K–12 education in South Carolina.

How to fund pre-school (such as the use of a Readiness Fund) is not addressed here. A range of sources are possible: some states have earmarked revenue streams; others have used federal funds (such as TANF or CCDF money).¹⁵ It may be possible for South Carolina to draw on more than one funding source. Independent of the source of funding, however,

12 Golin et al. (2003); Manship et al. (2007); Muenchow et al. (2005); Belfield (2006); Belfield and Schwartz (2007); Applewhite and Hirsch (2003); Brandon (2004); Barnett and Kelley (2002); Levin and Schwartz (2007); Yonce et al. (2006).

13 Total K–12 spending on first grade is \$7,900 (ed.sc.gov; www.friedmanfoundation.org/~friedman/download-File.do?id=69) and federal Head Start funding in South Carolina is \$7,300 (www.acf.hhs.gov/~hsb/about/fy2007.html).

14 A third comparison is to use the amount spent in other high poverty districts. For example, the New Jersey Abbott districts spend \$9,100 (Belfield and Schwartz, 2007, adjusted for urbanicity/state using Taylor and Fowler, 2006); but this program is recognized as high quality (Frede et al., 2007).

15 Discussion of these issues is in Gilliam and Marchessault (2005); Greenberg and Schumacher (2003); and Scrivner and Wolfe (2003).

Table 2 — Current and proposed enrollments and costs in pre-school in South Carolina

	<i>Enrollment</i>	<i>Cost per child</i>	<i>Total cost (millions)</i>
<i>Current pre-school provision</i>			
Served by:			
Full-day 4K	11,108	\$5,300	\$58.87
Half-day 4K	9,462	\$2,650	\$25.07
CDEPP	3,241	\$3,986	\$12.92
Total cost			\$96.87
<i>Proposed expanded, upgraded pre-school provision</i>			
Served by:			
Full-day 4K	20,570	\$7,600	\$156.33
Half-day 4K	0	—	—
CDEPP	3,241	\$7,600	\$24.63
New places	11,500	\$7,600	\$87.40
Total cost			\$268.36

Notes: Proposed new provision for 4K, CDEPP, and new places would be high quality.

Sources: SC CEO (2007); NIEER (2006). Dollar amounts rounded to two decimal places. 2007 dollars.

this proposed policy would represent a substantial commitment by the state and significantly increase the numbers of four-year old children who can access pre-school. At issue is whether such an investment would make economic sense from the state perspective.

3. ECONOMIC BENEFITS OF PRE-SCHOOL FOR SOUTH CAROLINA

3.1 Enumerating the economic benefits

Prior research has identified many private, fiscal, and social benefits to a state from pre-school programs. These can be compared to the costs of the programs.

The basic framework is given in Box 1. The investment costs can be compared to the economic benefits. There are economic benefits for the child in the short run (more schooling, better health, increased well-being) and in the long run (a higher probability of going to college and the associated higher incomes). There are also benefits to society (e.g. if crime rates are lower).

Box 1 The Economic Model for Investments in Pre-school

Investment Costs [C]

High quality pre-school:

- Full day and full year
- Teachers with full credentials, professional development, and market pay rates
- Group sizes are small (<20)
- System is coherent (not blended)
- Centers are accredited
- State monitoring and regulations are enforced

Benefits/Cost-savings [B]

For child:

- Higher achievement; better health/nutrition; less abuse
- Higher likelihood of graduation/college enrollment; higher earnings; lower teen-pregnancy/delinquency

For society/economy:

- Income tax revenues from parents' released time
- Greater school system efficiency (reduction in special education, grade repetition, higher learning productivity); reduction in abuse/neglect; lower reliance on public healthcare
- Increased income tax revenues; lower welfare dependence; reductions in delinquency/crime (net of higher education subsidies)

Importantly, there are economic benefits to the state and so to the taxpayer. These benefits are the focus here:

1. *Efficiency gains to the school system:* Special education and grade retention rates are reduced, and, because students are better prepared, schools can provide education more efficiently. The state saves on education budgets.
2. *Increases in tax revenues:* Pre-school participants themselves become more productive as they enter the labor force, and during the pre-school period, childcare needs of families are met, reducing their expenses and allowing parents to work. The state gains from higher tax revenues.
3. *Budgetary savings in the criminal justice system:* By enhancing economic opportunities for children, pre-school programs play an important role in reducing crime, both while the children are juveniles and as they enter adulthood. The state gains because public expenditures on criminal justice and incarceration are reduced.
4. *Savings in health and welfare budgets:* By improving the economic conditions for children at an early age, pre-school can reduce public commitments in terms of health and public assistance payments. Thus, the state saves on expenditures for Medicaid and welfare.

Using this framework, specific fiscal benefits for South Carolina can be computed.¹⁶ First, the impacts of the proposed pre-school program on each of the four categories are calculated. Importantly, the only economic benefits that are counted are those for the government or taxpayer, not those for the participants themselves. Then, the cost consequences of those impacts are assessed. For example, pre-school reduces special education by 5% and the cost of special education is \$Y; cost savings are therefore $$(5Y/100)$. State-specific data is used where available for both the impacts and the costs. All money values are expressed in present values so that they can be compared with the costs of the program.¹⁷

We might anticipate that the benefits of pre-school would exceed the costs. Several high-quality studies have calculated the economic return to early childhood education. Each study shows the total economic benefits which outweigh—by a considerable margin—the costs of the program. New evaluations of the High/Scope Perry Pre-School Program show that for every \$1 investment, \$12.90 was recouped in terms of benefits over the lifetime. For the Abecedarian Early Childhood Intervention, an economic evaluation indicates that for every \$1 investment, between \$2–\$3.66 was recouped in terms of benefits over the entire period. For the Chicago Child-Parent Pre-School Center (CPC) Program, every \$1 investment, \$7.14 was recouped in benefits. Finally, costing exercises for a large-scale version of Head Start show benefits that exceed the costs; even short-term and medium-term benefits offset 40-60% of the total costs.¹⁸

The economic benefits from expanding South Carolina's program are unlikely to be as large as has been found for these model programs (although the Chicago CPC program was reasonably large scale). These were very intensive programs targeted to at-risk groups of children. The proposal here is for a much larger statewide program at lower cost. However, research recent has found that pre-school benefits all children, regardless of background.¹⁹ Disadvantaged children do benefit the most, but all children benefit.

For South Carolina, a recent evaluation of children's achievement in 4K gives precise estimates of the academic gains. Based on a survey of 777 children from across the states, Lamy et al. (2005) apply a regression discontinuity design approach to identify the impact of pre-school. Pre-school significantly improves literacy skills at the start of kindergarten; the effect is equivalent to an additional four months of progress in vocabulary growth. Also, pre-school boosted print awareness scores by nearly 19 percentage points, a growth

16 This method has been applied to pre-school programs in other states, see Karoly and Bigelow (2005) and Belfield (2005).

17 'Present values' are values that are adjusted to account for the time period in which the benefits are incurred. For example, children who have attended pre-school earn more as adults, but this is not until at least 15 years after pre-school. Therefore, these higher earnings should be discounted, i.e. valued less because they occur so far in the future. We apply the conventional discount rate of 3.5% (Moore et al., 2003).

18 See respectively, Belfield et al. (2006); Masse and Barnett (2002); Reynolds et al. (2002), Currie (2001), and Ludwig and Miller (2006).

19 See Gormley (2007a). In fact, large-scale programs may yield extra benefits in terms of peer learning, as found in Georgia by Henry et al. (2003). However, this study takes a very conservative approach and does not include benefits for which there is no conclusive evidence.

rate almost twice as fast as the norm. Children in low-income families benefited even more. In effect sizes, the gains in receptive vocabulary were 0.35 and in print awareness 0.71. These gains are substantial and compare favorably with the gains found for other state-wide or large-scale programs.

Based on these academic gains, we extrapolate forward to predict the lifetime consequences for those children who attend high-quality pre-school. The extrapolations are based on the high-quality research trials listed above and the broad social science evidence that links early grade and elementary school test scores with future outcomes. Therefore we assume only conservative benefits (see below). However, we do note the high levels of disadvantage in South Carolina and the research evidence that the benefits for disadvantaged children are considerably above those for children from wealthier families, as well as the evidence of strong test score gains in South Carolina.²⁰

The benefits of the policy flow from two changes to the pre-school system. The first change is that approximately 11,500 additional children will be newly enrolled in high-quality pre-school. The second change is the expansion and upgrading of existing places. An equivalent of 4,730 'new' places would be added by ensuring that children in half-day programs can attend full-day. Plus, another 19,080 children would be in upgraded provision (full-time equivalents from full-day and half-day 4K and CDEPP). The effects of upgraded provision will be weaker than for the new enrollees. We assume these effects are 42% as strong as those for the new enrollees (because they are receiving approximately 42% more additional resource).²¹ The economic calculations for these two changes are reported separately.

Importantly, we are calculating net effects beyond what we estimate as the baseline level of provision. It is therefore not so critical that the baseline is specified very accurately. (Indeed, pre-school policies change frequently, so the idea of a stable baseline may be illusory).²² What is important is that we calculate the additional benefits from additional spending to see whether the changes pass a cost-benefit test.

3.2 Calculating the economic benefits

Below we calculate the economic benefits of proposed policy in terms of efficiency gains to the school system, increased tax revenues, and lower government expenditures on crime, health, and welfare. For each benefit, we use a conservative approach. (This is especially conservative for the income gains, where we assume gains are only restricted to

20 This ratio is based on the results from the evaluation by Gormley (2007b). The test score gains are from Lamy et al. (2005).

21 There is new evidence that the benefits of full-day pre-school are not as great as the benefits for full-day (Robin et al., 2006). However, our assumption of proportionality is simply reasonable, rather than strongly evidence-based.

22 As noted above, we suspect that the appropriations for pre-school at \$4,200 are far below what is needed and probably somewhat below what is actually being spent within districts.

those who were previously dropouts but who become graduates after pre-school). We base the impacts and costs on published studies and extant datasets, and we use state-level data where possible. With national data, we adjust for the relative price level in South Carolina. All money values are reported in 2007 dollars. Future money streams are discounted using the standard rate of 3.5%.

3.2.1 Efficiency gains to the education system

Investments in pre-school reduce rates of special education and grade retention and they also make children more proficient learners. Each of these efficiency gains is important for the public school system.²³

The rate of special education in South Carolina is 15.6% (the national average is 13.2%). The proposed policy reduces the rate by 21% for the children in the new program and proportionately for those in upgraded programs.²⁴ For the 11,500 new enrollees, cost-savings would be \$24.05 million.

Similarly, the state has a very high grade retention rate, at 16.3%.²⁵ This rate is predicted to fall by 25%. For the 11,500 new enrollees, this would mean 500 fewer students retained and the cost-saving would be \$2.73 million.

In addition, pre-school raises the overall productivity of the education system. There are savings in budgets for teaching, for security, and for remedial programs.²⁶ First, teachers 'prefer' instructing less disruptive children; these teachers are less likely to be absent or quit and will accept lower wages (as do private school teachers). Second, better student behavior reduces spending on: security, policing, and custodial services as well as on programs for substance abuse, truancy, and absenteeism. Finally, districts offer remedial programs; these are less necessary if students are more proficient.

Based on the results for South Carolina from Lamy et al. (2005), the overall productivity gain is 14% for the new enrollees.²⁷ From this we calculate savings: in teacher wages²⁸;

23 We exclude consideration of private school students (approximately 11% of each age cohort). These students have much higher rates of graduation than public school students and the government resource effects are significantly smaller. Also, pre-school may cause some students to switch to private school, reducing the public funding necessary.

24 Research literature includes reduction of special education effects of between 6% and 48% (Reynolds et al., 2000; Barnett, 1996); the average effect is 21%, and the CDCP (2002) reports a representative estimate of 12%. We assume annual effects on special education through the K-12 years. Reynolds et al. (2002) find these persistent effects all the way to 8th grade.

25 nces.ed.gov/pubs/dp95/97473-5.asp; www.sckidscount.org.

26 Each impact has been found in large-scale national datasets (Belfield, 2005). In fact, these productivity gains are an understatement because they omit benefits to other school personnel (for a discussion, see Belfield and Schwartz, 2006).

27 This percentage gain is calculated as the average of the gains reported in Lamy et al. (2005).

28 Teacher job satisfaction would rise by 6 percentage points, equal to a 3% increase in salary. Average public school teacher salaries in South Carolina are \$45,570 (adjusted to 2007 dollars from www.aft.org/salary/2004/download~/2004AFTSalarySurvey.pdf). A 3% raise spread across all K-12 years of schooling yields present value cost-savings of \$12.40 million.

teacher turnover²⁹; teacher absenteeism³⁰; from improved school safety³¹; and from lower costs of remediation.³² These five impacts would yield cost-savings of \$27.54 million.

Overall, the savings just to the education system are significant. For the new places, they total \$54.32 million for an investment of \$87.40 million. Therefore, for each additional dollar spent on pre-school the school system would reap approximately 60 cents back as a result of reduced resource requirements elsewhere.

3.2.2 Increases in tax revenues

Tax revenues go up with expanded early childhood education programs: families can more easily enter the labor market; and the pre-school participants themselves will enter adulthood as more productive workers. Both effects raise incomes, increasing tax payments proportionately.

With additional time saved on child care, each family is freed up to participate in the labor market. From studies examining the relationship between child care availability and working, families with a child newly enrolled in pre-school have earnings that are \$962 higher over the year. With a tax rate of 30% the extra tax revenues amount to \$3.87 million across the 11,500 children.

In later adulthood, pre-school participants will have higher earnings primarily because they have accumulated more education. Indeed, pre-school programs have very powerful effects on high school graduation rates, particularly for African American children. For the new pre-schoolers the dropout rate should fall by 25%; across 11,500 students with a dropout rate of at least 35%, this would mean 1,006 new high school graduates.³³

Earnings data from the Current Population Survey show that—as they leave school—each new graduate will earn significantly more than a high school dropout over the lifetime. These are big differences and a substantial body of research has shown that they are causal and not simply correlations. Many investigations, including those by Rouse (2007) and Carneiro and Heckman (2003), have concluded that the observed differences in earnings across education levels are actually caused by the extra education. Economists have compared earnings of twins with different education levels, for example; they have also examined how changes in the law have forced people to accumulate more education. All these studies indicate more education leads to higher earnings.

29 Teacher turnover is predicted to fall by 8%. Annually, 12% of public schools either leave the profession or change to a new school. This imposes costs on schools and the industry standard for the cost of turnover is 33% of one year's salary of the new hire (NCES Digest, 2004, Table 74; www.sbec.state.tx.us/SCECOnline/txbess/turnoverpt.pdf). Reducing these costs by 14% generates a present value saving of \$2.7 million over the K–12 span.

30 Teacher absenteeism is reduced by 10%. On average, school systems employ 1 substitute teacher for every 15 regular teachers. With a 10% reduction in substitute teaching, the school system would save \$2.72 million.

31 School safety is estimated to rise by 14% and, based on spending on school safety of 6% of total budgets, yield a saving of \$8.45 million.

32 All school districts allocate funds for remedial education. Given the improvement in academic achievement as a result of pre-school, it is expected that these funds would be released. The cost-saving is estimated at \$110 per enrollee, with a total cost-saving of \$1.27 million across 11,500 enrollees.

33 This reduction is actually a conservative estimate (see Barnett and Belfield, 2006).

Taking college progression into account and the relative price level in South Carolina the net earnings advantage is \$213,480 (present value at age 4).³⁴ However, the taxpayer only benefits by the amount of this extra earnings which is taxed. Assuming a 30% tax rate, the tax gains per new high school graduate are \$64,050.³⁵ In the aggregate, this is worth \$64.43 million in tax revenues paid by the 1,006 new high school graduates.

3.3.3 Savings in Child Health and Welfare Expenditures

Pre-school increases children's health and well-being. Pre-school children are more likely to be screened for health conditions, to be immunized, and to receive improved nutrition. In a review by the Center for Disease Control and Prevention, the effect size impact for social risks after pre-schooling is -0.41; and health screening rates are higher by 44%.³⁶ Also, pre-school enhances emotional and mental health: a recent study for inner city children in Seattle finds long-term positive effects (e.g. on anxiety, social phobia, and family relationships); and the Chicago Child-Parent Centers program reduces maltreatment and increases overall welfare.³⁷ These effects are almost certainly conservative estimates of the total impact because they are only the childhood effects and assume that healthier childhood does not lead to healthier adulthood. These effects are particularly salient in light of changes to S-CHIP and recent research on investments in children and Medicaid payments.³⁸ Their importance is reinforced when we consider the statistics for South Carolina on infant mortality, low birth weight incidence, and poor child health status.

These impacts will affect reliance on welfare programs and health support services, especially cases of abuse/neglect.³⁹ Based on the Chicago CPC program impacts, and adjusted for spending in South Carolina, the cost-savings amount to \$340 per enrollee in welfare programs, \$370 in government-funded health programs, and \$350 in abuse/neglect services.⁴⁰ Across 11,500 places, the cost-savings would amount to \$12.26 million.

3.3.4 Savings to the criminal justice system

Pre-school helps reduce both juvenile and adult crime; it may be because of behavioral changes or it may simply be because higher incomes reduce the pressure to commit crime. This effect is particularly important for minority males. African American males are incarcerated at rates 6 to 8 times higher than those for whites; almost one-quarter of all African American male dropouts are incarcerated; and at least 60% will have been imprisoned before they are 35 years old.⁴¹

34 Calculations based on earnings premiums reported in Belfield and Levin (2007) and accounting for subsidies for higher education.

35 We note that the largest proportion of this tax revenue goes to the federal government and not to the state government Treasury. We consider this state/federal split below. However, some of the federal government expenditure that accrues from South Carolina stays in the state (for example, to pay for military bases). Therefore, any additional federal government receipts primarily benefit South Carolina.

36 CDCP (2002); Smokowski et al. (2004).

37 Hawkins et al. (2005); Reynolds et al. (2004).

38 See for example www.brookings.edu/papers/2007/01/childrenfamilies_isaacs.aspx.

39 Newacheck and Kim (2005).

40 CAFR Comptroller General report 2007 (www.cg.state.sc.us/).

41 Petit and Western (2004).

The crime savings are derived as the average from three separate measures.⁴² The Chicago CPC program generates present value savings of \$6,050 per participant in terms of juvenile and adult crimes averted. Using Census data, Lochner and Moretti (2004) estimate that each additional high school graduate yields present value cost-savings of \$12,490. Finally, the Perry Pre-School program show considerable savings in crime costs: Belfield et al. (2006) report present value cost-savings of \$49,070 per new high school graduate.⁴³ The average cost-saving across the three measures is \$43.86 million across the new enrollees.

3.3.5 Total fiscal benefits

All the fiscal benefits are summarized in Table 3 for a single age cohort of four year olds. The first column (1) reports the economic benefits for the new 11,500 places. In total, the fiscal cost-savings are \$178.73 million. There are three main sources of benefit: savings to the education system, additional tax revenues, and savings for the criminal justice system.

The second column (2) reports the savings from upgrading the existing 4K program and CDEPP, as well as expanding it to allow those children who currently participate for a half-day to participate for a full-day. These benefits are calculated as fractions of the benefits derived for each new enrollee (as per column (1)). The fractions are based on the proportion of additional spending for the upgrade and expansion. The total cost-savings for this component of the proposal is \$146.95 million.

The total fiscal benefit from both components is \$325.68 million for each cohort of four-year olds.

4. COST-BENEFIT ANALYSIS OF EXPANDED PRE-SCHOOL IN SOUTH CAROLINA

4.1 Cost-benefit ratios for expanded pre-school

To determine if expanded pre-school is a good investment for South Carolina, the costs and the benefits are compared. Critically, only the fiscal benefits to the state are being considered; benefits to individual children and their families are excluded (as are broader state-wide impacts and the employment effects of a vibrant pre-school sector of the economy). In this respect, the cost-benefit comparison allows us to determine the optimal amount of public funding of pre-school. But it is far short of an assessment based on the true benefits.

⁴² Again, these are very conservative estimates, because they only include the costs to the state and not the costs to the victims of crime; they also do not fully capture the costs of juvenile crime. So, even though the Perry program was more expensive than proposed here, its crime saving estimates are an understatement of the true effects from that program.

⁴³ The difference between Lochner and Moretti (2004) and Belfield et al. (2006) estimates may be in part because of the additional crimes measured in the latter study. The Reynolds et al. (2004) numbers are higher because they include juvenile crime (unlike the other two studies).

Table 3 — Fiscal cost-savings per cohort (Present values \$ million)

	(1) New enrollees (11,500 children)	(2) Upgraded programs ^a	(3) Total fiscal benefits =(1)+(2)
Special education	\$24.05	\$20.00	\$44.05
Grade retention	\$2.73	\$2.27	\$5.00
Learning productivity gains	\$27.54	\$22.89	\$50.43
Tax revenues families	\$3.87	\$1.59	\$5.46
Tax revenues—new high school graduates	\$64.43	\$53.56	\$117.99
Criminal justice savings	\$43.86	\$36.46	\$80.32
Health and welfare savings	\$12.26	\$10.19	\$22.45
Total cost-savings	\$178.73	\$146.95	\$325.68

Notes: Present Value (PV) figures are discounted over the K–12 and adult years at a rate of 3.5%. Dollar amounts rounded to two decimal places. Learning productivity gains are: higher teacher satisfaction wage effects; lower teacher turnover; improved school safety; and reduced pressure for remedial education. Economic values are in 2007 dollars. ^aUpgraded programs include full-day 4K with more resources, half-day 4K extended to full-day and with more resources, and CDEPP with more resources.

Using the figures in Tables 2 and 3, it is clear that the fiscal benefits of pre-school far exceed the investment costs. The comparison is given in Table 4. With benefits of \$325.68 million and investment costs of \$171.50 million, the pre-school program would yield net savings of \$154.18 million. For every \$1 invested in pre-school the state would recoup \$1.90 in benefits. Based upon these calculations, pre-school expansion would be a strong investment, yielding high returns for South Carolina.

Both components of the proposal generate strong benefits. Children who newly enroll yield more benefits than children who receive upgraded programs. Each new enrollee in a high-quality, full-day program costing \$7,600 would generate fiscal benefits 2.04 times as large. Upgrades and longer days would also yield strong benefits.

Multiple state agencies would share the fiscal benefits. For the South Carolina Department of Education, the investment in pre-school would not pay for itself, but every dollar invested would be offset by significant savings elsewhere in the school system. The Department of the Treasury and the Department of Corrections would also gain significantly from the investment. Importantly, some of the benefits would accrue to federal agencies and not just state agencies: income tax revenues are paid primarily to the federal government, which also funds some criminal justice and health services. Based on separate analyses for other states, we estimate that the federal savings are greater than the savings to state Treasuries, perhaps by a magnitude of 50%.

**Table 4 — Costs and benefits of expanded pre-school per cohort
(Present values \$ million)**

	(1) <i>New enrollees</i>	(2) <i>Upgraded programs^a</i>	(3) <i>Total fiscal benefits =(1)+(2)</i>
Investment costs	\$87.40	\$84.10	\$171.50
Benefits	\$178.73	\$146.95	\$325.68
Benefits—Costs	\$91.33	\$62.85	\$154.18
Benefits/Costs	2.04	1.79	1.90

Notes: See Tables 2 and 3. Economic values are in 2007 dollars. ^aUpgraded programs include full-day 4K with more resources, half-day 4K extended to full-day and with more resources, and CDEPP with more resources.

Further sensitivity testing indicates that the overall conclusion is robust. Most likely these benefit-cost ratios understate the true gains because the cost estimates are higher than current provision and the benefits exclude any benefits to students who would have graduated from high school without the pre-school program. Also, these results correspond with those from an independent study produced for the state of California as well as similar studies done for Ohio and Massachusetts.⁴⁴

4.2 County-specific economic returns

Research shows that the benefits of pre-school are stronger for disadvantaged minority children. Therefore, some counties—those with high proportions of minority children and poor families—are likely to benefit most. These groups are most at-risk of being on welfare, of involvement in the criminal justice system, or of relying on Medicaid for their health care needs. By offsetting these risks, pre-school generates benefits for the local county.

Hence, it is possible to identify counties where the economic benefits of pre-school will be especially strong. The focus is on five counties: Clarendon, Florence, Lee, Orangeburg, and Sumter. These counties are compared to Greenville and Spartanburg. These two counties have somewhat more prosperous economic conditions (e.g. with higher foreign direct investment, higher levels of human capital, and high incomes). But these counties have some disadvantaged areas as well. Basic economic statistics from the Census are reported in the first columns of Table 5.

For several reasons, these five counties are likely to benefit more than the average county across the state from pre-school. First, these counties are 'majority-minority' populations and the benefits from pre-school are found to be approximately 1.6 times greater for

⁴⁴ Karoly and Bigelow (2005); Belfield (2005).

Table 5 — Pre-school in selected counties in South Carolina

	<i>Median household income</i>	<i>% with BA degree (aged 25+)</i>	<i>% in poverty</i>	<i>% FTE 4K</i>	<i>CDEPP places</i>	<i>Benefit-cost ratio</i>	<i>Total cost savings (million)</i>
Lee	\$26,700	9%	97%	28%	Yes	3.99	\$3.3
Orangeburg	\$30,000	16%	85%	38%	Yes	3.63	\$13.1
Clarendon	\$27,500	11%	84%	38%	Yes	3.52	\$4.7
Sumter	\$33,900	16%	75%	25%	No	3.22	\$13.3
Florence	\$35,800	19%	72%	31%	Yes	3.09	\$16.1
Greenville	\$42,400	26%	53%	22%	No	2.40	\$3.9
Spartanburg	\$27,500	18%	60%	29%	No	2.67	\$28.7

Source: Census (2004); SC EOC (2007, Appendix D Table 1), columns 1–3.

minority, disadvantaged children (Gormley, 2007a). Second, a comparison of the percent of children in poverty with existing pre-school places shows significant scope for expansion. Table 5 shows the percentage of children in poverty greatly exceeds that number of full-time equivalent 4K places (and not all these counties participate in CDEPP). With the exception of Greenville and some districts in Spartanburg, these counties all rank very high on poverty index and Lee county has the highest rate of poverty across the state (SC EOC, 2007; SC EOC, 2008). Third, despite infrastructure connections to major towns, these counties have been identified as ‘economically underperforming’ without a strong labor market. A key to economic growth is therefore raising the skills levels of workers.

We can adjust the baseline benefit–cost ratio to account for the relative scarcity of pre-school and the high rates of poverty. These adjustments show that the economic benefits of pre-school are significantly higher for counties with these characteristics. Relative to the state-level average of \$1.90 for every \$1 invested, these counties would likely reap benefits of at least \$2.40 (Greenville) up to \$3.99 (Lee). These higher ratios arise from two factors: high-quality pre-school is more urgently needed; and the benefits of such pre-school will be greater. The final column of Table 5 shows the total cost savings for each county. This total reflects the populations in each county, as well as the level of poverty (and so the net gains from preschool). Each county benefits significantly, ranging from \$3 million to \$29 million.

4.3 Education and Economic Development

There is widespread consensus among economists that improvements in education levels can help economic development. These improvements need not happen just through investments in pre-school, although this is where the evidence shows the strongest returns (Carneiro and Heckman, 2003). One important indicator of how education drives economic

development is the rate of high school graduation. In 2002, South Carolina's high school graduation rate was 48%–57%, which is one of the lowest across the U.S.⁴⁵

Through the Education and Economic Development Act (EEDA) of 2005, South Carolina has committed to raising the high school graduation rate. The EEDA includes programs to better identify at-risk students, to set up individual graduation plans (Pathways to Success), to raise the standards of high school course work, and to align the requirements for high school graduation and college. Aligning college and high school systems should encourage students to take more efficient pathways to graduation and motivate them to progress on to higher education.

As shown above, pre-school helps raise the high school graduation rate. Using data from the Chicago Child-Parent Center programs, a high-quality pre-school program is likely to raise the high school graduation rate by 11 percentage points (Reynolds et al., 2002). This is similar to the average figure used above, of a fall of one-quarter in the overall dropout rate. Thus, from a base of approximately 60% the graduate rate would rise to approximately 70%. For each cohort of approximately 60,000 persons aged 18, there would be 6,000–6,600 new high school graduates. This annual increase would significantly raise economic growth.

The economic consequences of graduating from high school over dropping out are huge (see Belfield and Levin, 2007). For example, a 20-year old African American male who is a high school graduate will earn over \$300,000 more than a high school dropout. If he goes on to complete college, the difference rises to \$1,100,000. (These figures are present values, i.e. amounts at age 20). These extra earnings reflect what businesses see as a more productive worker and so are directly addressing the most important need of business (productive employees). As well, this individual will pay more taxes, rely less on welfare and government health programs, and be less likely to be involved in the criminal justice system. From the perspective of the taxpayer, these effects are worth \$269,000 (present value aged 20). The effects and the amounts are quite similar, regardless of race, ethnicity, or gender.

These are national figures, but the same relationships hold for South Carolina. In fact, because of its relatively low education levels, the state is particularly influenced by educational disparities. State data clearly illustrate this.⁴⁶ The earnings benefits of education are at least as strong as for the rest of the nation. One-third of all unemployed young adults are dropouts. One-third of all single mothers are dropouts. Half of all TANF recipients are dropouts. Three-quarters of prison inmates are dropouts. This last statistic is especially salient, as South Carolina ranks as the fifth highest in the nation for incarceration rates.

⁴⁵ The year 2002 is the most recent with comparable state data (see Seastrom et al. 2006).

⁴⁶ www.scyoungadults.org/sc_educ.asp

Table 6 — The economic benefits of high school graduation over dropping out in South Carolina

	Per new high school graduate over dropping out (Present values over the lifetime)
Individual benefits:	\$345,560
Extra earnings	
Taxpayer benefits:	\$213,450
Higher tax revenues and lower government spending on health, crime and welfare	

Notes: Figures adjusted for South Carolina prices and wages from Belfield and Levin (2007).

Therefore, it is possible to calculate the economic impact of a set of programs—reflected in the EEDA—that might help students graduate from high school. See Table 6. Adjusting for the relative price level in South Carolina, the earnings gained per marginal high school graduate would be \$346,000. This is a present value at age 18 of the lifetime earnings gains attributable to the extra years of schooling associated with high school graduation. For the taxpayer, the economic gains would be worth \$213,000 (from higher tax revenues and lower spending in adulthood on health, crime, and welfare). Again, this is a present value amount at age 18. It may be thought of as equivalent to the amount of extra money in a certificate of deposit.

For society, the benefits are even larger. These social benefits include not only the individual earnings gains and the taxpayer benefits but they should also include a wider array of benefits. This wider array will include greater economic competitiveness from having a more educated workforce, a healthier community, and a community where crime is less prevalent. Calculations of these social benefits are much less precise than for the individual and taxpayer benefits, but they have been found to be at least the same size as the earnings gains (in this case, \$346,000).

These economic values do not account for the costs of implementing the EEDA. However, this cost is certainly far below the benefits when expressed per student. These economic values do not account for the fact that not all individuals who receive EEDA supports (such as individual learning plans) will actually graduate. Nevertheless, there is a significant margin between the returns and the costs. This simple calculation therefore suggests that, if the EEDA implements effective strategies to raise the high school graduation rate, these strategies would almost certainly pay for themselves.

5. CONCLUSION

Pre-school is a good investment for children. Research shows that high-quality pre-school helps children's cognitive growth and enhances their future prospects. The effects are especially strong for minority children from disadvantaged circumstances.

This economic analysis has calculated the cost and benefits of expanding and upgrading pre-school for four year olds across South Carolina. These calculations are derived using simple investment appraisal tools to determine whether the stream of benefits outweighs the initial cost. Under all reasonable scenarios, the economic benefits of pre-school exceed the costs.

Current spending on pre-school in South Carolina is \$97 million. A high quality program to cover all at-risk four-year old children in the state would cost an additional \$172 million annually. This would provide 11,500 new places and upgrade existing provision. The benefits of this pre-school investment to taxpayers—in the form of higher government revenues and lower spending—would be substantial. Conservatively, these benefits would total \$326 million.

Therefore, the benefits exceed the costs by \$154 million. For every \$1 invested, the taxpayer gains \$1.90 in benefits. This economic calculation suggests that expanding pre-school options would make very good sense for the state.

In part, pre-school is beneficial because it promotes school readiness and raises the probability of graduating from high school. On average, high school graduation significantly improves economic well-being. This is the motivation for the Education and Economic Development Act (EEDA) of 2005 and its Pathways to Success in high school and college.

If the EEDA programs raise the graduation rate they will generate a very high return for the state. Recent calculations (adjusted for South Carolina prices) show that each new high school graduate earns \$346,000 more than a dropout over the lifetime. For the state's taxpayers, the economic gains per new high school graduate are \$213,000. These amounts easily exceed the per-student costs of implementing the EEDA.

Of course, pre-school is not a panacea. It cannot fully compensate for disadvantage in the infant years and it may be undermined by inadequate education in elementary and secondary school. Some pre-schools will not be as effective as they could be and government oversight is necessary to make sure that all centers are held accountable for providing high-quality programs. Nevertheless, the academic and behavioral advantages of pre-school are sufficiently large that it represents a solid foundation on which to improve the futures for many young children.

This foundation is particularly important for minority and disadvantaged children: these are the children most at-risk of special education, grade retention, and low academic test

scores. Later on, this exposes them to a greater risk of high school failure with dropout rates perhaps 10–20 percentage points higher than for white children. In adulthood, lower economic well-being for minority groups leads to higher rates of crime and welfare dependency and more constrained economic opportunities. Both for these children as individuals, as well as for taxpayers in South Carolina, high quality pre-school is a worthwhile investment.

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PART THREE

As stated in the Preface of this document, the Commission focused its attention on early childhood education as the starting point for the SAVE Proviso, studying how early childhood education could contribute to closing the achievement gap and alleviating socioeconomic deprivation. In order to accomplish our goal, we also needed a clear understanding of what funds were being expended on 0-5 programs in South Carolina, where, and who were the beneficiaries by ethnicity. Two survey tools were developed and administered: 1) the SAVE Needs Assessment Survey, and 2) the Agency Activity Inventory Spreadsheet.

The SAVE Needs Assessment Survey was created to identify State programs, services and current funding levels for children ages 0 to 5. Special attention was given to the identification of programs and services provided through state agencies or agency partners that can aid in closing the educational achievement gap across the State. Additionally, the staff identified state agencies which did one of the following:

- Directly administered and funded programs and services for children ages 0 to 5;
- Directly administered and funded programs and services for children ages 0 to 5 based on eligibility criteria which the parents must meet;
- Directly administered and funded programs and services for children ages 0 to 5 based on eligibility criteria which another legal guardian must meet;
- Utilized one or more agency partners to administer the program or provide services to children ages 0 to 5 through the central office(s);
- Utilized one or more agencies to administer the programs or provide services to children ages 0 to 5 through district, area, or county offices;
- Utilized one or more agency partners to administer the program or provide services through a combination of the state, district, area and county offices to children ages 0 to 5;
- Utilized a private business to administer programs or provide services to children ages 0 to 5; and
- Utilized one or more non-profit partners to provide programs and services to children ages 0 to 5 and their parents.

Summary of Survey Administration Process

Included as an Appendix to this document is the seven page SAVE Needs Assessment Survey entitled ***"Improving the Odds for Young Children Ages 0 Through 5 in South Carolina: SC-CFMA State Agency Needs Assessment."*** Also included is the two-part ***Agency Activity Spreadsheet.***

Both instruments were sent out in hard copy form and by e-mail to eighty-five state agency heads, the research universities, and the state's sixteen technical colleges. A two-page set of instructions was also provided in hard copy and electronic form to each participating state agency. As a part of the survey administration process, the research staff of the Commission for Minority Affairs examined the list of 101 to 132 potential state agencies, and developed a listing of agencies which by their mission in state law, do not provide program funding or direct

services to children ages 0 to 5 or their families. From the listing of total agencies, thirty agencies were excluded from the list of state agencies which received the *Needs Assessment Survey and Agency Activity Spreadsheet*.

Preliminary Summary of Key Findings (As of December 31, 2008)

Chart 1 provides a brief preliminary summary of the state agencies which returned the Needs Assessment Survey and Agency Activity Spreadsheet. The CMA provided technical assistance and support to both agency and budget staff regarding the completion of both the *Needs Assessment Survey and Agency Activity Inventory Spreadsheet*.

Chart 1: Summary Information on State Agencies, 4-Year Institutions and the State's Technical Colleges Completing and Returning the *SAVE Needs Assessment and SAVE Agency Activity Inventory Spreadsheets* (As of December 31, 2008) (See Appendix)

General Agency Classification	Total Number of State Agencies	Total Needs Assessment Surveys Returned	Total Agency Activity Inventory Spreadsheets Returned
A. Direct Educational Agencies Serving Children Ages 0-5	8	6	5
B. Educational Support Agencies	4	4	4
C. 4-Year Colleges and Universities	10	6	3
D. Technical Colleges	16	4	4
E. All Other State Agencies	36	20	4
F. State Agencies Not Required to Return Surveys	27	Not Applicable	Not Applicable
Totals (Percent)	101 (100.0%)	41 (40.6%)	25 (24.8%)

To ensure a valid collection of the surveys, the state agencies were divided into six broad categories as indicated in Chart 1. The totals and percentages in Chart 1 represent respective totals and percentages within the columns.

Regardless of agency classification, the total return rate was modest. To ensure a higher level of response to conduct further analysis and assess impact, it is recommended that additional follow-up occur during the remainder of the 2008-2009 Fiscal Year and (at a minimum) into the first half of the 2009-2010 Fiscal Year. Key preliminary findings in Chart 1 indicate that:

- Many of the state agencies that returned the *SAVE Agency Activity Inventory Spreadsheets* **could not document the total amount of funding and the number of people that they served by race, ethnicity and location across the state.** The research staff of the CMA views this as a major finding, since the CMA focuses on addressing issues related to socioeconomic poverty and deprivation by race and ethnicity. Addressing education deprivation through the collection of data on the *SAVE Needs Assessment Survey and the Agency Activity Inventory Spreadsheet* cannot be effectively addressed if the total number of children ages 0 to 5, along with the amount of program funding cannot be adequately quantified and determined. The CMA Research staff is recommending that further study be conducted to identify programs and funding by race, ethnicity and location.
- Most of the state agencies providing funding for Direct Educational Services (See Chart 1, Section A) to children ages 0 to 5 returned both survey instruments. This includes the State Department of Education and South Carolina First Steps. Other state agencies and entities that receive federal and/or state funding continue to work on completing both assessment instruments. Follow-up calls indicated that some agencies were hampered in completing the information because of recent budget and staff cuts.
- Educational Support Agencies (See Chart 1, Section B) are classified as those agencies that provide state and federal funding or serve as “pass through” entities of dollars to fund programs and services to children ages 0 to 5. This would include the SC Department of Health and Human Services, certain divisions within the SC Department of Health and Environmental Control, and the SC Department of Social Services. Each completed and returned both the *SAVE Needs Assessment and SAVE Agency Activity Inventory Spreadsheets*.
- The CMA found that several of the 4-Year Colleges and Universities (See Chart 1, Section C) have programs that serve children ages 0 to 5. While this is true, the sheer size of the universities make it difficult to identify the program(s) and service(s), and the amount of funding that directly go to children ages 0 to 5. Examples include the University of South Carolina and the Medical University of South Carolina (Charleston).
- The State’s Technical Colleges (See Chart 1, Section D) provide some services to the parents of children ages 0 to 5. Most of this funding however is through federally funded programs that enable the parents of the children to attend Technical College. In some cases, tuition assistance is made available to the parent. *In other cases, limited funding for child care and transportation is available for parents who meet the eligibility criteria.* This is an area that needs further follow-up; however, the recent budget cuts have made it difficult to collect this information from each Technical College. In

particular, the loss of twenty-two (22) staff from the State Technical College System has made it difficult to obtain additional information.

- CMA Research staff on programs and services for children ages 0 to 5. The current budget process has drastically slowed the ability to collect information from the remaining state agencies. In particular, only four of the 36 state agencies classified as “Other” had returned the survey as of the end of October, 2008. It was during this time that most state agencies shifted their focus to addressing the potential problem(s) posed by the state budget cuts. See the Appendix to obtain information on the status of state agencies, and their completion of both the *SAVE Needs Assessment* and *SAVE Agency Activity Inventory Spreadsheets*.

CONCLUSION

Although a significant amount of work has already been completed on the SAVE Proviso Study, much more remains to be completed. Prior to the passage of the Proviso and since its passage, the CMA has used its limited resources to complete important portions of the study. However, it would be inappropriate at this time to draw conclusions from the information and research completed as of this report.

Due to budget cuts affecting CMA internal staffing, complying agency responses, and CMA's lack of funding to hire contract research faculty to assist with conducting additional analyses, additional work must continue past the February 2009 date. The CMA will continue its work regarding identification of strengths, weaknesses, and gaps in program services when compared with programs across the country.

For this reason the CMA has requested that the SAVE Proviso be carried forward into the FY2009-2010 budget, so that the work of completing all of the analyses as specified in the Proviso can be thoroughly completed and reported with accuracy. It is important that the Commission be afforded this authority and additional time so that the report will not reflect analyses based upon inaccurate budget information.

Upon completion and State economic recovery, we anticipate that this document will be a useful tool to assist legislators as they review the need to establish new programs, reestablish others, and no longer fund those with questionable outcomes.

APPENDIX

55.5 (CMA: Student Achievement and Vision Education)

(CMA: Student Achievement and Vision Education) The Commission for **Minority Affairs** is directed to study the economic and social impact of state funded programs that serve counties experiencing demographic shifts in the minority populations. The commission shall also study the programs and structures that contribute to or by their absence, exacerbate the problem of poor student achievement and socioeconomic deprivation. The commission is directed to identify all funding to programs and services that support family well-being in South Carolina. To identify and document gaps and duplication of services, the commission is directed to collect information regarding spending and programming from the following state agencies that will by virtue of this proviso be required to comply. The following state agencies are required to provide information to the Commission for **Minority Affairs**: Adjutant General's Office (Emergency Management Division), Department of Agriculture, Department of Alcohol and Other Drug Abuse Services, Commission for the Blind, Budget and Control Board, Department of Commerce, Department of Consumer Affairs, Department of Corrections, School for the Deaf and the Blind, Department of Disabilities and Special Needs, Education Oversight Committee, Department of Education, Educational Television Commission, Employment Security Commission, Governor's Office, Department of Health and Family Mental Control, Department of Health and Human Services, State Housing, Finance and Development Authority, Department of Juvenile Justice, Department of Mental Health, Department of Probation, Parole and Pardon Services, Department of Social Services, state colleges and universities, and other agencies as the commission deems appropriate. The commission shall compile reports that identifies strengths, weaknesses, and gaps in program support activities that should be addressed to increase positive outcomes to help close the achievement gap, provide community supports that strengthen families, and address inequities confronting minorities in the State. The report shall make recommendations regarding the reallocation of funding, restructuring of agencies and services, and the need for new programs or incentives for public-private partnerships. The report(s) shall be issued to the Governor, the President Pro Tempore of the Senate, the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Speaker of the House of Representatives, the Chairman of the House Ways and Means Committee, the Chairman of the House Education and Public Works Committee, the Chairman of the Legislative Black Caucus and the State Superintendent of Education and State Agency Heads on or before the first Tuesday of February 2009 for consideration and further legislative action.

APPENDIX

Status Listing of State Agencies Completing the
SAVE Needs Assessment Survey and Agency Activity Report

55.5 (CMA: Student Achievement and Vision Education)

Agency Name	Needs	Agency Activity
<p>(CMA: Student Achievement and Vision Education) The Commission for Minority Affairs is directed to study the economic and social impact of state funded programs that serve counties experiencing demographic shifts in the minority populations. The commission shall also study the programs and structures that contribute to or by their absence, exacerbate the problem of poor student achievement and socioeconomic deprivation. The commission is directed to identify all funding to programs and services that support family well-being in South Carolina. To identify and document gaps and duplication of services, the commission is directed to collect information regarding spending and programming from the following state agencies that will by virtue of this proviso be required to comply. The following state agencies are required to provide information to the Commission for Minority Affairs: Adjutant General's Office (Emergency Management Division), Department of Agriculture, Department of Alcohol and Other Drug Abuse Services, Commission for the Blind, Budget and Control Board, Department of Commerce, Department of Consumer Affairs, Department of Corrections, School for the Deaf and the Blind, Department of Disabilities and Special Needs, Education Oversight Committee, Department of Education, Educational Television Commission, Employment Security Commission, Governor's Office, Department of Health and Environmental Control, Department of Health and Human Services, State Housing, Finance and Development Authority, Department of Juvenile Justice, Department of Mental Health, Department of Probation, Parole and Pardon Services, Department of Social Services, state colleges and universities, and other agencies as the commission deems appropriate. The commission shall compile reports that identifies strengths, weaknesses, and gaps in program support activities that should be addressed to increase positive outcomes to help close the achievement gap, provide community supports that strengthen families, and address inequities confronting minorities in the State. The report shall make recommendations regarding the reallocation of funding, restructuring of agencies and services, and the need for new programs or incentives for public-private partnerships. The report(s) shall be issued to the Governor, the President Pro Tempore of the Senate, the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Speaker of the House of Representatives, the Chairman of the House Ways and Means Committee, the Chairman of the House Education and Public Works Committee, the Chairman of the Legislative Black Caucus and the State Superintendent of Education and State Agency Heads on or before the first Tuesday of February 2009 for consideration and further legislative action.</p>		
Mr. Roosevelt T. Halley RSD	Employment Security Commission	Yes

**Status Listing of State Agencies Completing the
SAVE Needs Assessment Survey and Agency Activity Report
As of December 2008**

Name of Agency Head	Name of State Agency	Needs Assessment Survey Returned	Agency Activity Spreadsheet Returned
Ms. Marcia Adams R40	Department of Motor Vehicles	Not Applicable	Not Applicable
Mr. Patton Adams E23	Commission on Indigent Defense	Not Applicable	Not Applicable
Ms. Marci Andino E28	State Election Commission	Not Applicable	Not Applicable
Dr. Daniel W. Ball H21	Lander University	Yes	No
Mr. James Barker, F.A.I.A. H12	Clemson University	Yes	Yes
The Honorable Andre Bauer E04	Lieutenant Governor	No	No
Mr. P. George Benson H15	Charleston, College of	Yes	Yes
Mr. William D. Bilton * 17	Prosecution Coordination Commission	Not Applicable	Not Applicable
Mr. C. Dean Bratton R23	State Board of Fin Inst. (CF Div)	Yes	Not Applicable
Mr. Maurice Bresnahan H67	SC Educational TV Network	Yes	No
Ms. Bonnie Brooks (AA) K05	Department of Public Safety	Yes	No
Mr. Larry C. Bryant H73	Dept. of Vocational Rehabilitation	Yes	No
Dr. Stanley J. Butkus J16	Dept. of Disabilities & Special Needs	Yes	Yes
Mr. William Byars N12	Department of Juvenile Justice	No	No
Mr. William P. Calloway H95	SC Museum Commission	Not Applicable	Not Applicable
Dr. Fred Carter H18	Francis Marion University	Yes	Yes
Mr. Lee Catoe J20	Alcohol & Other Drug Abuse Services	Yes	Yes
The Honorable Converse A. Chellis III, CPA E16	State Treasurer	Not Applicable	Not Applicable
Ms. Terry A. Coston R14	Patients Compensation Fund	Not Applicable	Not Applicable
Ms. Janie A. Davis * L46	Commission on Minority Affairs	Not Applicable	Not Applicable
Dr. David DeCenzo H17	Coastal Carolina University	Yes	Yes
Mr. M. Richard DeVoe P26	Sea Grant Consortium	Not Applicable	Yes
Dr. Anthony DiGiorgio H47	Winthrop University	No	No
Ms. Beverly Dixon (AA) R44	Department of Revenue	Not Applicable	Not Applicable
Mr. Ben Duncan R20	Department of Insurance	Yes	Yes
The Honorable Richard Eckstrom E12	Comptroller General	Yes	Not Applicable
Ms. Emma Forkner J02	Dept. of Health & Human Services	Yes	Yes
Mr. John E. Frampton P24	Department of Natural Resources	No	No
Mr. Frank W. Fusco F03	Budget & Control Board	No	No
Mr. Richard H. Gilbert, Jr. F27	State Auditors Office	Yes	Not Applicable
Mr. Samuel B. Glover N08	Dept. of Probation, Parole & Pardon	No	No
Mr. David S. Goble H87	SC State Library	No	No
Dr. Raymond S. Greenberg H51	Medical University of SC	No	No
Mr. Harry B. Gregory Jr. R12	State Accident Fund	Not Applicable	Not Applicable
Mr. Eddie Gunn R16	Second Injury Fund	Not Applicable	Not Applicable
Mr. Roosevelt T. Halley R60	Employment Security Commission	Yes	Not Applicable

**Status Listing of State Agencies Completing the
SAVE Needs Assessment Survey and Agency Activity Report
As of December 2008**

Name of Agency Head	Name of State Agency	Needs Assessment Survey Returned	Agency Activity Spreadsheet Returned
The Honorable Mark Hammond E08	Secretary of State	Not Applicable	Not Applicable
Mr. Hubert Harrell N20	Criminal Justice Academy	Not Applicable	Not Applicable
Ms. Pam Hawley (AA) J04	Dept. of Health & Environmental Control	Yes	Need to Follow Up
Mr. Herbert Hayden R52	State Ethics Commission	Not Applicable	Not Applicable
Dr. Kathleen Hayes L04	Department of Social Services	Yes	Yes
Ms. Donna Hodges (AA) N04	Department of Corrections	Need to Follow Up	Yes
Mr. C. Earl Hunter J04	Dept. of Health & Environmental Control	Yes	Yes
Mr. Louie A. Jacobs R23	State Board of Fin Inst. (Exam Div)	Yes	Not Applicable
Mr. Mark Keel K05	Department of Public Safety	Yes	
Mr. James Kirby L24	Commission for the Blind	No	No
Judge Marvin F. Kittrell 30	SC Administrative Law Court	Not Applicable	Not Applicable
Mr. Henry E. Kodama P12	SC Forestry Commission	No	No
Ms. Phleisha Lewis (AA) R40	Department of Motor Vehicles	Yes	Yes
Mr. Buck Limehouse U12	Department of Transportation	No	No
Chief Reggie Lloyd D10	SC Law Enforcement Division	Not Applicable	Not Applicable
Ms. Carol J. Mabry H75	SC School for the Deaf & Blind	No	No
Mr. John H. Magill J12	Department of Mental Health	Yes	Yes
Dr. George Cooper H24	SC State University	No	No
The Honorable Henry D. McMaster E20	Attorney General	Yes	NA-Letter Received
Ms. Carolyn Nelson R04	Public Service Commission	Not Applicable	Not Applicable
Mr. Jon Ozmint N04	Department of Corrections	Not Applicable	Not Applicable
Dr. Harris Pastides H27	University of South Carolina	No	No
Ms. Brandolyn T. Pinkston R28	Department of Consumer Affairs	Yes	Yes
Ms. Jan Polatty (AA) J02	Dept. of Health & Human Services	Yes	Yes
Mr. Chad Prosser P28	Parks, Recreation & Tourism	Yes	Yes
The Honorable Jim Rex H63	Department of Education	Yes	Yes
Mr. Scott H. Richardson R20	Department of Insurance	Not Applicable	Not Applicable
Ms. Beth B. Rogers (AA) H03	Commission on Higher Education	Yes	Yes
Lt. General John W. Rosa H09	The Citadel	Not Applicable	Not Applicable
Dr. Barry Russell H59	State Board for Tech & Comp Ed	Yes	No
The Honorable Mark Sanford D05	Governor	No	No
Mr. C. Dukes Scott R06	Office of Regulatory Staff	Yes	Yes
Mr. Edward Shannon H06	Higher Education Tuition Grants	Yes	Yes
Mr. Pat G. Smith H71	Wil Lou Gray Opportunity School		
MG Stanhope S. Spears E24	Adjutant General	Yes	Yes
Mr. Ray N. Stevens R44	Department of Revenue	Not Applicable	Not Applicable
Dr. Rodger E. Stroup H79	Department of Archives & History	Yes	Not Applicable
Ms. Suzette Surkamer H91	SC Arts Commission	No	Yes

**Status Listing of State Agencies Completing the
SAVE Needs Assessment Survey and Agency Activity Report
As of December 2008**

Name of Agency Head	Name of State Agency	Needs Assessment Survey Returned	Agency Activity Spreadsheet Returned
Brig. General Hugh Tant P36	Patriot's Point Development Authority	Yes	Not Applicable
Mr. Joe E. Taylor P32	Department of Commerce	Yes	No
Mr. Charles Terreni R04	Public Service Commission	Not Applicable	Not Applicable
Mr. Gary Thibault R08	Workers' Compensation Commission	Not Applicable	Not Applicable
Dr. Garrison Walters H03	Commission on Higher Education	Yes	No
Mr. Jesse Washington, Jr. L36	Human Affairs Commission	No	No
Commissioner Hugh Weathers P16	Department of Agriculture	No	No
Ms. Valarie Williams L32	State Housing Fin & Dev Auth	Yes	Yes
Mr. Mark Williamson * L12	John De La Howe School	Yes	Yes
Ms. Amy Wright (AA) E16	State Treasurer	Not Applicable	Not Applicable
Ms. Adrienne Youmans R36	Dept. of Labor, Licensing & Regulation	Not Applicable	Not Applicable
Dr. Susan Winsor H6N	Aiken Technical College	No	No
Dr. Tim Hardee H6K	Central Carolina Technical College	Yes	Yes
Dr. John Waddell H6Q	Denmark Technical College	No	No
Dr. Charles W. Gould H6C	Florence-Darlington Technical College	Yes	Yes
Dr. Keith Miller H6D	Greenville Technical College	No	No
Dr. Neyle Wilson H6E	Horry-Georgetown Technical College	Yes	Yes
Dr. Marshall (Sonny) White H6F	Midlands Technical College	Yes	Yes
Dr. Ron Bartley H6B	Northeastern Technical College	No	No
Dr. Ann S. Crook H6G	Orangeburg-Calhoun Technical College	No	No
Dr. L. Rayburn (Ray) Brooks H6H	Piedmont Technical College	No	No
Dr. Dan L. Terhune H6J	Spartanburg Community College	No	No
Dr. Thomas C. Leitzel H6R	Technical College of the Lowcountry	Yes	Yes
Dr. Ronnie Booth H6L	Tri-County Technical College	Yes	No
Dr. Mary Thornley H6A	Trident Technical College	Yes	Yes
Dr. Cleve H. Cox H6S	Williamsburg Technical College	No	No
Dr. Greg Rutherford H6M	York Technical College	Yes	Yes

**Improving the Odds for Young Children
Ages 0 Through 5 in South Carolina:
SC-CFMA State Agency Needs Assessment**

The SC Commission for Minority Affairs (SC-CFMA) is seeking input from each state agency in regards to the Student Achievement for Vision Education (SAVE) Proviso. The Commission is directed to identify funded programs and direct services which serve children ages 0 through 5 (including children from age 0 to the entering of the first grade of school) and their families throughout South Carolina. The Commission is specifically seeking to identify all programs and services which serve children and their families and focus on closing the educational achievement gap. Your agency has received a letter informing you of the importance of completing this Needs Assessment. Please take a few minutes to review the instructions and complete the survey in its entirety. The assessment instrument is designed for you to save your information and return to complete it at a later time. Questions should be directed to **Benjamin Washington Jr. at the SC Commission for Minority Affairs**. Questions can be e-mailed to Bwashi@cfma.state.sc.us and phone calls be received at (803) 333-9621 Ext. 16. The information that you provide is confidential and agency findings will be reported in summary form. **Please return the completed Agency Needs Assessment on or before October 20, 2008.** Thank you very much for taking the time to complete this Agency Needs Assessment.

I. Agency Information

Agency Code:

1. Name of Agency:
2. Location: Street Address:
3. City or Town: State: SC Zip Code:
4. Name of Primary Contact Person:
5. Phone Number: () E-Mail Address:

II. Agency Services to Children and Families in South Carolina

6. Please place an 'X' beside the statement which best applies to your agency's operation in providing services to the children of South Carolina. Please select only one answer.
- a. This agency does not provide direct programs or services to children (Skip to next question).
 - b. This agency currently provides direct programs and services to all children of South Carolina regardless of their age.
 - c. This agency provides direct programs and services to children, but these services are limited to children from to years of age.
 - d. This agency is responsible for overseeing programs and services to children from to years of age, and partners with one or more state agencies to ensure service provision.
 - e. This agency is responsible for overseeing programs and services to children from to years of age, and partners with one or more private sector or non-profit organizations to ensure service provision.

The next few questions seek input regarding current eligibility requirements, criteria, guidelines or policies, and agency partners that determine how your agency provides services to children and their families. The Commission for Minority Affairs staff recognizes that both federal and state regulations often dictate who can qualify to receive services. Based on your selection of item c, d or e in Question 6 above please provide answers to each of the following questions which are applicable to your agency.

**Improving the Odds for Young Children
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SC-CFMA State Agency Needs Assessment**

7. Please place an 'X' beside each statement which best describe how families become eligible to receive program services for their children.
- a. This agency does not provide direct programs or services to families (Skip to next question).
 - b. This agency provides direct programs and services to families, based upon one or more of the following criteria (Please place an 'X' beside each statement criteria that applies).
 1. Income criteria guidelines of the legal parent or guardian seeking family services.
 2. Federal poverty guidelines.
 3. The age limits of the children (From _____ to _____ years of age).
 4. Other Criteria (Write in here: _____).
 5. All of the above.
 - c. This agency is responsible for overseeing programs and services to families with children from _____ to _____ years of age, and partners with one or more state agencies to ensure service provision.
 - d. This agency is responsible for overseeing programs and services to families with children from _____ to _____ years of age, and partners with one or more private sector or non-profit organizations to ensure service provision.
8. Based on your answer to questions 6 and 7 above please select the primary means that direct programs and services are provided to children and families in South Carolina. (Place an "X" beside one answer).
- a. This agency does not provide direct programs or services to families (Skip to next question).
 - b. Direct programs and services are provided only by staff persons working in county offices.
 - c. Direct programs and services are provided only by staff persons working in area, regional or district offices.
 - d. Direct programs and services are provided by staff persons working in both regional, area, or district offices and through local county offices.
 - e. Direct programs and services are provided by staff persons who oversee direct services performed by partner agencies located in the same county as the local office(s).
 - f. Programs and services are provided by area, regional or district office staff persons who oversee direct services performed by partner agencies located in the same designated service area(s).
 - g. Programs and services are provided by staff persons who oversee direct services performed by private sector organizations located in the same county as the local office(s).
 - h. Programs and services are provided by area, regional or district office staff persons, who oversee direct services performed by private sector organizations located in the same designated service areas.
9. Please place an 'X' beside the primary group receiving direct services from agency staff or partners. Service provision to: Children Only Parents/Guardians Only Both

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- 10. State programs for children and families are typically administered by state agency staff. State agencies may also utilize staff which work through regional, area or district offices. Use the county code list in Table 1 below to list the county codes that make up each designated service area for your state agency. Next, place an 'X' in the column that designates the type for your service area.**

Listing of Service Area Counties (Please type the 3-digit County Codes that make up each current service area, and separate the codes with a space or comma)		Type of Service Area Designation		
		1-Area	2-District	3-Region
1.	8.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	9.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	10.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	11.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	12.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	13.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	14.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Not Applicable (Skip to the Next Question)				

- 11. Please place an "X" beside each county code in which your state agency provides programs and services to children and families. Please place an "X" beside County Code "099" if agency programs and services are provided in all forty-six (46) South Carolina counties.**

Table 1: Listing of South Carolina Counties and County Codes

County Code	County Name	County Code	County Name	County Code	County Name
<input type="checkbox"/> 001-1	Abbeville	<input type="checkbox"/> 033-17	Dillon	<input type="checkbox"/> 065-33	McCormick
<input type="checkbox"/> 003-2	Aiken	<input type="checkbox"/> 035-18	Dorchester	<input type="checkbox"/> 067-34	Marion
<input type="checkbox"/> 005-3	Allendale	<input type="checkbox"/> 037-19	Edgefield	<input type="checkbox"/> 069-35	Marlboro
<input type="checkbox"/> 007-4	Anderson	<input type="checkbox"/> 039-20	Fairfield	<input type="checkbox"/> 071-36	Newberry
<input type="checkbox"/> 009-5	Bamberg	<input type="checkbox"/> 041-21	Florence	<input type="checkbox"/> 073-37	Oconee
<input type="checkbox"/> 011-6	Barnwell	<input type="checkbox"/> 043-22	Georgetown	<input type="checkbox"/> 075-38	Orangeburg
<input type="checkbox"/> 013-7	Beaufort	<input type="checkbox"/> 045-23	Greenville	<input type="checkbox"/> 077-39	Pickens
<input type="checkbox"/> 015-8	Berkeley	<input type="checkbox"/> 047-24	Greenwood	<input type="checkbox"/> 079-40	Richland
<input type="checkbox"/> 017-9	Calhoun	<input type="checkbox"/> 049-25	Hampton	<input type="checkbox"/> 081-41	Saluda
<input type="checkbox"/> 019-10	Charleston	<input type="checkbox"/> 051-26	Horry	<input type="checkbox"/> 083-42	Spartanburg
<input type="checkbox"/> 021-11	Cherokee	<input type="checkbox"/> 053-27	Jasper	<input type="checkbox"/> 085-43	Sumter
<input type="checkbox"/> 023-12	Chester	<input type="checkbox"/> 055-28	Kershaw	<input type="checkbox"/> 087-44	Union
<input type="checkbox"/> 025-13	Chesterfield	<input type="checkbox"/> 057-29	Lancaster	<input type="checkbox"/> 089-45	Williamsburg
<input type="checkbox"/> 027-14	Clarendon	<input type="checkbox"/> 059-30	Laurens	<input type="checkbox"/> 091-46	York
<input type="checkbox"/> 029-15	Colleton	<input type="checkbox"/> 061-31	Lee	<input type="checkbox"/> 000 None - Not Applicable	
<input type="checkbox"/> 031-16	Darlington	<input type="checkbox"/> 063-32	Lexington	<input type="checkbox"/> 099 All South Carolina Counties	

**Improving the Odds for Young Children
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12. Please complete the table below by typing in the code of the agency partner that assists you in providing programs and services to children and families. Also, please provide the agency name, address, zip code and contact information for each partner listed.

Agency Partner Code	Name of Agency Partner	Local Address (Including City, State and Zip Code)	Name of Contact Person (Please include Phone Number or E-Mail)
1- State			
2-Regional or District			
3-Business			
4-Non-profit			
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
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16.			
17.			
18.			
19.			
20.			

Improving the Odds for Young Children Ages 0 Through 5 in South Carolina: SC-CFMA State Agency Needs Assessment

III: Feedback on On-Going Program Activities and Service Needs for Children and Families

- 13. Many programs created to assist children and families have experienced cuts in federal and state funding. These cutbacks can impact the type and availability of programs and services your agency can provide to families and children across the state of South Carolina. Please provide answers to each statement provided in the table below. If the statement does not apply to your agency, please type 'X' next to Not Applicable.**

Type of Program or Service Provided to Children and Families Not Applicable (Skip To Next Question)	Impact(s) on Agency Programs or Services (Please type an 'X' in the Appropriate Column)				
	Very Significant Negative Impact	Significant Negative Impact	Neutral	Significant Positive Impact	Very Significant Positive Impact
___ a. One or more agency programs have experienced a cut in funding within the past three state budget (fiscal) years. (Please list up to the top three names of agency programs or services that have been impacted). 1. 2. 3. Not Applicable					
___ b. Funding cutbacks have resulted in the top programs or services listed above only being available in (enter the number of counties) South Carolina counties instead of statewide. Not Applicable					
___ c. The agency has experienced a reduction in program staff primarily due to cuts in federal funding. Not Applicable					
___ d. The agency has experienced a reduction in program staff primarily due to cuts in state appropriations. Not Applicable					
___ e. One or more state agency partners have experienced funding cuts, resulting in the reduction of one or more agency programs and services. Not Applicable					
___ f. The following organizations have experienced funding cuts, resulting in the reduction of one or more agency programs and services. (Select with an 'X'). Non-Profit Private-Sector					
___ g. Funding cutbacks have resulted in program and service consolidation.					
___ h. Other (Specify:)					

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14. Based on the responses provided in question 13 above, please indicate any reorganization of agency areas, districts or region programs and services which have occurred over the past five years (Since the 2002-2003 fiscal year).

- A. (Column 1) Use the Table 1 County Code listing provided on page 3 with this assessment to designate the counties in the former service area. Please separate each with a comma or a space.**
- B. (Column 2) Use the Table 1 County Code listing provided on page 3 with this assessment to designate the counties in the current or new service area.**
- C. (Column 3) Indicate the fiscal year that the reorganization took place. Type "99-99" if no change has taken place. Type "88-88" if you do not know if any reorganization took place during the previous five year period. Type "77-77" if you know that a re-organization took place during the previous five year period, but are unsure when.**
- D. (Column 4) Please provide the names of the programs and services for children and families which have been impacted by the reorganization.**
- E. (Column 5) Type the code indicating the current funding status as of the end of the 2007-2008 Fiscal Year of the programs or services to children and families, but based on the Fiscal Year of the reorganization. Use the following codes:**

- 1- Program or Service Funded is at Current Levels**
- 2- Program or Service Funded at a Reduced Level**
- 3- Program or Service Funded is No Longer Available**
- 8- Do Not Know Current Status of Program or Service Funding**

A. Former Listing of Service Area Counties	B. Current Listing of Service Area Counties	C. Fiscal Year of Reorganization	D. Name of Program or Service Impacted By Agency Reorganization	E. Current Funding Status Code
1.	1.	1. -	1.	1.
2.	2.	2. -	2.	2.
3.	3.	3. -	3.	3.
4.	4.	4. -	4.	4.
5.	5.	5. -	5.	5.
6.	6.	6. -	6.	6.
7.	7.	7. -	7.	7.
8.	8.	8. -	8.	8.
9.	9.	9. -	9.	9.
10.	10.	10. -	10.	10.
11.	11.	11. -	11.	11.
12.	12.	12. -	12.	12.
13.	13.	13. -	13.	13.
14.	14.	14. -	14.	14.
15.	15.	15. -	15.	15.
16.	16.	16. -	16.	16.

Improving the Odds for Young Children Ages 0 Through 5 in South Carolina: SC-CFMA State Agency Needs Assessment

IV. Follow-Up Contacts for the State Agency Needs Assessment

The staff of the South Carolina Commission for Minority Affairs acknowledges the importance of partnerships among state agencies, private sector providers and other entities which provide services to children and families at the local (community) level. Because of your relationship with local agencies and other partners, Commission staff may need to contact staff or program persons within local communities across the state in order to obtain local information on community based programs and services for children and families.

15. Based on your knowledge of local staff within your service area(s) across South Carolina, please complete the chart below by providing contact information on up to five agency staff or partners who administer programs or provide services to children and families.

Agency or Partner Code 1- Agency Staff 2-Regional or District Staff 3-Business Partner 4-Non-profit Partner 5-Other Partner	Local Individual or Partner Contact	Local Address (Including the Zip Code)	Phone Number (Include Area Code)	E-Mail Address (If Available)
1.				
2.				
3.				
4.				
5.				

16. Please provide us with your contact information in the event we may need to contact you.

Agency Name:

Prefix	First Name	MI	Last Name	Suffix
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17. Phone Number: Fax Number: E-Mail:

18. Please provide us with the best time to contact you. (Please place an "X" beside one choice.)

Morning (8:00AM – 11:30AM)

Early Afternoon (12:00 Noon – 2:00PM)

Late Afternoon (2:30 PM – 5:00 PM)

Other (Specify Time:)

Please return the completed Agency Needs Assessment on or before October 20, 2008.

Thank You Very Much For Completing This Assessment Survey!

20. For each program and service listed in Question 19, provide the counties where the program or service is delivered. Also please give the total amount of funding by source for each program or service activity that your agency provides to children and their families. Please place each new activity and the amount of program funding on a separate line.

[illegible]

0 01 01 0321790 6

[illegible]

